

**PSC DENIES MOTIONS TO RECONSIDER RECOMMENDATION IN
SOUTHWESTERN BELL LONG-DISTANCE CASE**

Jefferson City (September 4, 2001)---The Missouri Public Service Commission has denied applications filed by various parties to either reconsider or open a new case to evaluate Southwestern Bell's desire to offer interLATA long-distance telephone service in Missouri.

The Commission's recommendation for approval will be filed with the Federal Communications Commission (FCC) who will ultimately decide whether to grant Southwestern Bell's application to provide interLATA long-distance service in Missouri.

In its order today, the Commission denied motions previously filed by McLeodUSA Telecommunications Services, Inc., AT&T Communications of the Southwest, Inc., NuVox Communications of Missouri, Inc., the MCI WorldCom companies, Sprint Communications Company, L.P., the Office of the Public Counsel and Ionex Telecommunications, Inc.

The Commission stated in its order: "The Commission recognizes the benefits that additional competition in interLATA telecommunications services will bring to the state of Missouri. Given the Commission's continued monitoring, the improved performance of Southwestern Bell since the competitive companies have been operating under the M2As (Missouri interconnection agreement) in Missouri, the fact that the Commission is working diligently to determine the appropriate long-term rates, subject to true-up, where those rates had not been previously set, and the fact that the M2A rates will now be lower than previously offered, the Commission finds no new information sufficient to reconsider its previous recommendation."

"The Southwestern Bell application filed on August 20, 2001 with the FCC to provide long-distance within the State of Missouri is a much stronger application than the previous one submitted to the FCC by Southwestern Bell on April 4, 2001 and withdrawn on June 7, 2001," stated Public Service Commission Chairman Kelvin Simmons. "Various voluntary price reductions and the fact that Southwestern Bell's overall performance measurement results have steadily improved allows us to continue to support this application." The PSC Staff specifically noted that the performance measurements since approval of the M2A are the "highest success ratios....to date."

(More)

“The Missouri Public Service Commission plans to continue to closely monitor Southwestern Bell to ensure competitors are treated fairly and we will be involved with a Texas audit to ensure that Southwestern Bell lives up to its word,” stated Simmons.

“We believe granting this application will benefit the citizens of Missouri, not only in terms of local telephone service offerings, but in long distance services as well. We have seen examples where Southwestern Bell’s entrance in the long-distance market has affected long-distance rates and services,” Simmons said.

The Commission’s order states: “While the Commission notes that the voluntary price reductions made to the M2A were not further reduced to the levels that our sister states of Arkansas and Kansas received, the Commission determines that there is no new issue with regard to the pricing of unbundled network elements that would cause it to reconsider its previous recommendation.”

InterLATA long-distance is a long-distance call between LATAs (Local Access Transport Areas) in Missouri. Missouri is divided into four LATAs (the Jefferson City-Columbia market area; the 417 area code; the 573, 314 and 636 area codes in eastern Missouri; and the 816 and 660 area codes in western Missouri). Examples of an interLATA long-distance call would be a call from St. Louis to Kansas City; a call from Columbia to Springfield; and a call from Cape Girardeau to Springfield.

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